

STATE OF MARYLAND
DEPARTMENT OF ASSESSMENTS AND TAXATION
PERSONAL PROPERTY DIVISION
301 West Preston Street
Baltimore, Maryland 21201-2395

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STATE OF MARYLAND
DEPARTMENT OF ASSESSMENTS AND TAXATION
PERSONAL PROPERTY DIVISION

1999
PERSONAL PROPERTY
RETURN OF

DOMESTIC & FOREIGN

- **CORPORATIONS**
- **LIMITED LIABILITY COMPANIES**
- **LIMITED LIABILITY PARTNERSHIPS**
- **LIMITED PARTNERSHIPS**

IMPORTANT TAX DOCUMENT

AT3-01B

THIS BOOKLET CONTAINS:

- TWO PERSONAL PROPERTY RETURNS
- COMBINATION FORM 4A (BALANCE SHEET), 4B (DEPRECIATION SCHEDULE), 4C (DISPOSAL AND TRANSFER RECONCILIATION)
- EXTENSION REQUEST FORM
- GENERAL AND SPECIFIC INSTRUCTIONS
- RETURN ENVELOPE

Visit our Department's web site for recent announcements, forms, brochures and other important information at:

www.dat.state.md.us

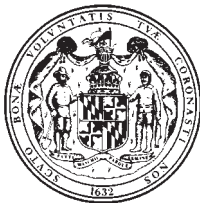
File and verify extensions using our automated telephone system!

**Call (410) 767-0937, or
(888) 246-5941 within Maryland**



State of Maryland
**DEPARTMENT OF
ASSESSMENTS AND TAXATION**

Office of the Director



RONALD W. WINEHOLT
Director

Dear Business Owner:

This packet of information contains forms that must be filed by April 15, 1999 in order for your business to remain in good standing. For corporations, this filing will serve a dual purpose: (1) to provide an annual report of corporate officers, directors and related information; and (2) to report any business personal property owned or leased by the corporation as of January 1, 1999. Personal property includes any property other than land, buildings, or other improvements.

Personal property will be assessed and certified to local governments. Local governments will apply their tax rates to our personal property assessments in computing personal property tax bills. You should contact this agency for questions relating to your personal property assessment, and your local government for questions about your taxes and tax billing. No property tax revenues are used to fund our agency.

If you need additional time to complete these forms you may file the enclosed 60 day extension request by April 15, 1999. Changes to state law now provide broader personal property exemptions for certain biotechnology and information technology businesses and companies engaged in research and development. Please review the instructions to see if your business may qualify for these exemptions. If you need additional assistance please refer to the telephone numbers listed on page two of the instructions. Internet users may access our web site at www.dat.state.md.us.

Thank you for your cooperation.

Sincerely,

Ronald W. Wineholt
Director

PERSONAL PROPERTY RETURN
AS OF JANUARY 1, 1999
DUE APRIL 15, 1999

1999

FORM 1

PAGE 1

Date Received
by Department

CHECK
ONE

Type of Corporation	ID # Prefix	Filing Fee	Type of Other Business Entity	ID # Prefix	Filing Fee
<input type="checkbox"/> Domestic Stock	(D)	\$100	<input type="checkbox"/> Domestic Limited Liability Co.	(W)	- 0 -
<input type="checkbox"/> Foreign Stock	(F)	\$100	<input type="checkbox"/> Foreign Limited Liability Co.	(Z)	- 0 -
<input type="checkbox"/> Domestic Non-Stock	(D)	- 0 -	<input type="checkbox"/> Domestic Limited Partnership	(M)	- 0 -
<input type="checkbox"/> Foreign Non-Stock	(F)	- 0 -	<input type="checkbox"/> Foreign Limited Partnership	(P)	- 0 -
<input type="checkbox"/> Foreign Insurance	(F)	- 0 -	<input type="checkbox"/> Domestic Limited Liability Partnership	(A)	- 0 -
<input type="checkbox"/> Foreign Interstate	(F)	- 0 -	<input type="checkbox"/> Foreign Limited Liability Partnership	(E)	- 0 -

Make
Address
Corrections
Here

Name of
Business
Mailing
Address

☐ Check here
if this is a
change of
address

DEPARTMENT ID NUMBER ID# <input type="text"/> PREFIX <input type="text"/>		FEDERAL EMPLOYER IDENTIFICATION NUMBER <input type="text"/>	
DATE OF INCORPORATION OR FORMATION <input type="text"/>	STATE OF INCORPORATION OR FORMATION <input type="text"/>	FEDERAL PRINCIPAL BUSINESS CODE <input type="text"/>	
TRADING AS NAME <input type="text"/>		<input type="checkbox"/> Check here if you use a preparer and do not want personal property forms mailed to you next year.	

Type or Print
Department ID Number Here

ID # PREFIX

DETACH TOGETHER PAGES 1-4 AT PERFORATION
INCLUDE DEPARTMENT ID NUMBER ON CHECK
PLEASE STAPLE CHECK HERE

SECTION I

- A. Is any business conducted in Maryland? Date began
(Yes or No)
- B. Nature of business conducted in Maryland
- C. Does the business own, lease or use personal property located in Maryland? If No, skip SECTION II.
(Yes or No)

ONLY CORPORATIONS COMPLETE ITEMS D AND E BELOW

- D. Does the charter of the corporation authorize the issuance of capital stock? If yes, include \$100 Filing Fee.
(Yes or No)
- E. Names and addresses of officers and names of directors (type or print):

OFFICERS	
Names	Addresses
President <input type="text"/>	<input type="text"/>
Vice-President <input type="text"/>	<input type="text"/>
Secretary <input type="text"/>	<input type="text"/>
Treasurer <input type="text"/>	<input type="text"/>

DIRECTORS	
Names	Names
<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>

BUSINESS TANGIBLE PERSONAL PROPERTY LOCATED IN MARYLAND

EACH QUESTION MUST BE ANSWERED—SEE INSTRUCTIONS

ROUND CENTS TO THE NEAREST WHOLE DOLLAR

1999

FORM 1

PAGE 2

SECTION II

A. IMPORTANT: Show exact location of all personal property owned and used in the State of Maryland, including county, town, and street address (P.O. Boxes are not acceptable). This assures proper distribution of assessments. If property is located in two or more jurisdictions provide breakdown by locations by completing additional copies of Section II for each location.

(County)

(Address, Number and Street)

(Zip Code)

Check here if this location has changed from the 1998 return

Is the property located inside the limits of an incorporated town? _____
(Yes or No)

(Incorporated Town)

- ① **Furniture, fixtures, tools, machinery and equipment not used for manufacturing or research and development.** State the original cost of the property by year of acquisition and category of property as described in the Depreciation Rate Chart on page 4. Include all fully depreciated property and property expensed under IRS Rules.

Columns B through G require an explanation of the type of property being reported. Use the lines provided below. If additional space is needed, supply a supplemental schedule. Failure to explain the type of property will result in the property being treated as Category A property (see instructions for example). **Refer to the 1999 Depreciation Rate Chart on page 4 for computer equipment rates for categories B and D.**

ORIGINAL COST BY YEAR OF ACQUISITION								
	A	SPECIAL DEPRECIATION RATES (SEE PAGE 4)						TOTAL COST
		B	C	D	E	F	G	
1998								
1997								
1996								
1995								
1994								
1993								
1992								
1991 and prior								
TOTAL COST COLUMNS A-G ➔								

DESCRIBE B-G PROPERTY HERE:

- ② **Commercial Inventory.** Furnish an average of 12 monthly inventory values taken in Maryland during 1998 at cost or market value of merchandise and stock in trade. Include products manufactured by the business and held for retail sale and inventory held on consignment. (Do not include raw materials or supplies used in manufacturing) Note: LIFO prohibited in computing inventory value.

Average Commercial Inventory
\$

Furnish from the latest Maryland Income Tax return:
 Opening Inventory - date _____ amount \$ _____
 Closing Inventory - date _____ amount \$ _____

Note: Businesses that need a Trader's License must report commercial inventory

- ③ **Supplies.** Furnish the average cost of consumable items not held for sale (e.g., contractor's supplies, office supplies, etc.).

Average Cost
\$

- ④ **Manufacturing/Research and Development (R&D) Inventory.** Furnish an average of 12 monthly inventory values taken in Maryland during 1998 at cost or market value of raw materials, supplies, goods in process and finished products used in and resulting from manufacturing by the business. (Do not include manufactured products held for retail sale).

Average Manufacturing/R&D Inventory
\$

Furnish from the latest Maryland Income Tax return:
 Opening Inventory - date _____ amount \$ _____
 Closing Inventory - date _____ amount \$ _____

1999

FORM 1

PAGE 3

- ⑤ **Tools, machinery and equipment used for manufacturing or research and development:** State the original cost of the property by year of acquisition. Include all fully depreciated property and property expensed under IRS Rules. If exemption is claimed for the first time, a manufacturing/R&D exemption application must be submitted before this exemption can be granted. Contact the Department for an application.

If the property is located in a taxable jurisdiction a detailed schedule by depreciation category should be included to take advantage of higher depreciation allowances.

ORIGINAL COST BY YEAR OF ACQUISITION			
1998		1994	
1997		1993	
1996		1992	
1995		1991 and prior	

TOTAL COST \$

- ⑥ **Vehicles with Interchangeable Registration** (dealer, recycler, finance company, **special mobile equipment**, and transporter plates) and unregistered vehicles should be reported here

ORIGINAL COST BY YEAR OF ACQUISITION			
1998		1996	
1997		1995 and prior	

TOTAL COST \$

- ⑦ **Non-farming livestock** \$ _____ (Book Value) \$ _____ (Market Value)

- ⑧ **Other personal property** Total Cost \$ _____
File separate schedule giving a description of property, original cost and the date of acquisition.

- ⑨ **Property owned by others and used or held by the business** as lessee or otherwise . . . Total Cost \$ _____
File separate schedule showing names and addresses of owners, lease number, description of property, installation date and separate cost in each case.

- ⑩ **Property owned by the business but used or held by others** as lessee or otherwise . . . Total Cost \$ _____
File separate schedule showing names and addresses of lessees, lease number, description of property, installation date and original cost by year of acquisition for each location. Schedule should group leases by county where the property is located. Manufacturer lessors should submit the retail selling price of the property not the manufacturing cost.

SECTION III This Section must be completed.

- A. Total Gross Sales, or amount of business transacted during 1998 in Maryland \$ _____
If the business has sales in Maryland and does not report any personal property explain how the business is conducted without personal property. If the business is using the personal property of another business, provide the name and address of that business.

- B. If the business operates on a fiscal year, state beginning and ending dates: _____

- C. If this is the business' first Maryland personal property return, state whether or not it succeeds an established business and give name: _____

- D. Does the business own any fully depreciated and/or expensed personal property located in Maryland? _____ (Yes or No)
If yes, is that property reported on this return? _____ (Yes or No)

- E. Does the submitted balance sheet or depreciation schedule reflect personal property located outside of Maryland? _____ (Yes or No)
If yes, reconcile it with this return.

- F. Has the business disposed of assets or transferred assets in or out of Maryland during 1998? _____ If yes, complete Form 4C (Disposal and Transfer Reconciliation). (Yes or No)

• PLEASE READ "IMPORTANT REMINDERS" ON PAGE 4 BEFORE SIGNING •

I declare under the penalties of perjury, pursuant to Tax-Property Article 1-201 of the Annotated Code of Maryland, that this return, including any accompanying schedules and statements, has been examined by me and to the best of my knowledge and belief is a true, correct and complete return.

NAME OF FIRM, OTHER THAN TAXPAYER, PREPARING THIS RETURN

PRINT OR TYPE NAME OF CORPORATE OFFICER OR PRINCIPAL OF OTHER ENTITY TITLE

X
SIGNATURE OF PREPARER

DATE

X
SIGNATURE OF CORPORATE OFFICER OR PRINCIPAL

DATE

()
PREPARER'S PHONE NUMBER()
BUSINESS PHONE NUMBER

IMPORTANT REMINDERS

- Research and development equipment is now included under the definition of manufacturing equipment and should be reported on line ⑤. The partial exemption for R&D equipment/supplies has been repealed.
- Business entities that require a Trader's License must report commercial inventory.
- This return must be accompanied by Form 4A (Balance Sheet) or latest available balance sheet, and Form 4B (Depreciation Schedule), unless the business does not own any personal property in Maryland. All information on pages 2 and 3 of this report and supporting schedules are held confidential by the Department and are not available for public inspection. Page 1 is public record (Tax-Property Article 2-212).
- If you discontinued business prior to January 1, 1999, notify the Department immediately, stating to whom and the date all personal property was sold. If business is sold between January 1, 1999 and July 1, 1999, submit statement of sale, including value of personal property, date of sale, name and address of the buyer on or before October 1, 1999.
- File the pre-addressed return to ensure proper posting to your account.
- This return must be signed by an officer or principal of the business.
- Make check for filing fee payable to Department of Assessments and Taxation or D.A.T. Place Department ID number on the check.
- Place the Department ID number on page 1 if the pre-addressed return is not used.

1999

FORM 1

PAGE 4

LATE FILING PENALTY DO NOT PAY PENALTIES AT TIME OF FILING RETURN

- A business which files an annual return postmarked after the due date of April 15, 1999 will receive an initial penalty of 1/10 of one percent of the county assessment, plus interest at the rate of two percent of the initial penalty amount for each 30 days or part thereof that the return is late. The following minimum and maximum initial penalty amounts⁺ apply:

<u>DAYS LATE</u>	<u>MINIMUM</u> ⁺	<u>MAXIMUM</u> ⁺
1 - 15	\$30	\$500
16 - 30	\$40	\$500
31 or more	\$50	\$500
	⁺ plus interest	

- Businesses which fail to file this report will receive estimated assessments which will be twice the estimated value of the personal property owned. In addition, failure to file this report will result in forfeiture of the charter or qualification of the corporation or other business entity.

DEPRECIATION RATE CHART FOR 1999 RETURNS

STANDARD DEPRECIATION RATE

Category A 10% per annum*

All property not specifically listed below.

SPECIAL DEPRECIATION RATES (Use of the rates listed below apply only to the items specifically listed. Use Category A for other assets.)

Category B 20% per annum*

Mainframe computers originally costing \$500,000 or more.

Category C 20% per annum*

Autos (unlicensed), bowling alley equipment, brain scanners, carwash equipment, contractor's heavy equipment (tractors, bulldozers), fax machines, hotel, motel, hospital and nursing home furniture and fixtures (room and lobby), MRI equipment, mobile telephones, model home furnishings, music boxes, outdoor Christmas decorations, outdoor theatre equipment, photocopy equipment, radio and T.V. transmitting equipment, rental pagers, rental soda fountain equipment, self-service laundry equipment, stevedore equipment, theatre seats, trucks (unlicensed), vending machines, x-ray equipment.

Category D 30% per annum**

Data processing equipment, canned software.

Category E 33 1/3% per annum*

Blinds, carpets, drapes, shades. The following applies to equipment rental companies only: rental stereo and radio equipment, rental televisions, rental video cassette recorders and rental video tapes.

Category F 50% per annum*

Pinball machines, rental tuxedos, rental uniforms, video games.

Category G 5% Per annum*

Boats, ships, vessels, (over 100 feet).

* Subject to a minimum assessment of 25% of the original cost.

** Subject to a minimum assessment of 10% of the original cost.

DATE OF ASSESSMENT NOTIFICATION

OFFICE USE ONLY

DATE OF CERTIFICATION NOTIFICATION

PERSONAL PROPERTY RETURN
AS OF JANUARY 1, 1999
DUE APRIL 15, 1999

1999

FORM 1

PAGE 1

Date Received
by Department

CHECK
ONE

Type of Corporation	ID # Prefix	Filing Fee	Type of Other Business Entity	ID # Prefix	Filing Fee
<input type="checkbox"/> Domestic Stock	(D)	\$100	<input type="checkbox"/> Domestic Limited Liability Co.	(W)	- 0 -
<input type="checkbox"/> Foreign Stock	(F)	\$100	<input type="checkbox"/> Foreign Limited Liability Co.	(Z)	- 0 -
<input type="checkbox"/> Domestic Non-Stock	(D)	- 0 -	<input type="checkbox"/> Domestic Limited Partnership	(M)	- 0 -
<input type="checkbox"/> Foreign Non-Stock	(F)	- 0 -	<input type="checkbox"/> Foreign Limited Partnership	(P)	- 0 -
<input type="checkbox"/> Foreign Insurance	(F)	- 0 -	<input type="checkbox"/> Domestic Limited Liability Partnership	(A)	- 0 -
<input type="checkbox"/> Foreign Interstate	(F)	- 0 -	<input type="checkbox"/> Foreign Limited Liability Partnership	(E)	- 0 -

Make
Address
Corrections
Here

Name of
Business
Mailing
Address

☐ Check here
if this is a
change of
address

DEPARTMENT ID NUMBER ID# <input type="text"/> PREFIX <input type="text"/>		FEDERAL EMPLOYER IDENTIFICATION NUMBER <input type="text"/>	
DATE OF INCORPORATION OR FORMATION <input type="text"/>	STATE OF INCORPORATION OR FORMATION <input type="text"/>	FEDERAL PRINCIPAL BUSINESS CODE <input type="text"/>	
TRADING AS NAME <input type="text"/>		<input type="checkbox"/> Check here if you use a preparer and do not want personal property forms mailed to you next year.	

Type or Print
Department ID Number Here

ID # PREFIX

DETACH TOGETHER PAGES 1-4 AT PERFORATION
INCLUDE DEPARTMENT ID NUMBER ON CHECK
PLEASE STAPLE CHECK HERE

SECTION I

- A. Is any business conducted in Maryland? Date began
(Yes or No)
- B. Nature of business conducted in Maryland
- C. Does the business own, lease or use personal property located in Maryland? If No, skip SECTION II.
(Yes or No)

ONLY CORPORATIONS COMPLETE ITEMS D AND E BELOW

- D. Does the charter of the corporation authorize the issuance of capital stock? If yes, include \$100 Filing Fee.
(Yes or No)
- E. Names and addresses of officers and names of directors (type or print):

OFFICERS	
Names	Addresses
President <input type="text"/>	<input type="text"/>
Vice-President <input type="text"/>	<input type="text"/>
Secretary <input type="text"/>	<input type="text"/>
Treasurer <input type="text"/>	<input type="text"/>

DIRECTORS	
Names	Names
<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>

BUSINESS TANGIBLE PERSONAL PROPERTY LOCATED IN MARYLAND

EACH QUESTION MUST BE ANSWERED—SEE INSTRUCTIONS

ROUND CENTS TO THE NEAREST WHOLE DOLLAR

1999

FORM 1

PAGE 2

SECTION II

A. IMPORTANT: Show exact location of all personal property owned and used in the State of Maryland, including county, town, and street address (P.O. Boxes are not acceptable). This assures proper distribution of assessments. If property is located in two or more jurisdictions provide breakdown by locations by completing additional copies of Section II for each location.

(County)

☐

(Address, Number and Street)

(Zip Code)

Check here if this location has changed from the 1998 return

Is the property located inside the limits of an incorporated town? _____
(Yes or No)

(Incorporated Town)

- ① **Furniture, fixtures, tools, machinery and equipment not used for manufacturing or research and development.** State the original cost of the property by year of acquisition and category of property as described in the Depreciation Rate Chart on page 4. Include all fully depreciated property and property expensed under IRS Rules.

Columns B through G require an explanation of the type of property being reported. Use the lines provided below. If additional space is needed, supply a supplemental schedule. Failure to explain the type of property will result in the property being treated as Category A property (see instructions for example). **Refer to the 1999 Depreciation Rate Chart on page 4 for computer equipment rates for categories B and D.**

ORIGINAL COST BY YEAR OF ACQUISITION								
	SPECIAL DEPRECIATION RATES (SEE PAGE 4)							
	A	B	C	D	E	F	G	TOTAL COST
1998								
1997								
1996								
1995								
1994								
1993								
1992								
1991 and prior								
TOTAL COST COLUMNS A-G ➔								

DESCRIBE B-G PROPERTY HERE:

- ② **Commercial Inventory.** Furnish an average of 12 monthly inventory values taken in Maryland during 1998 at cost or market value of merchandise and stock in trade. Include products manufactured by the business and held for retail sale and inventory held on consignment. (Do not include raw materials or supplies used in manufacturing) Note: LIFO prohibited in computing inventory value.

Average Commercial Inventory
\$

Furnish from the latest Maryland Income Tax return:
 Opening Inventory - date _____ amount \$ _____
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Note: Businesses that need a Trader's License must report commercial inventory

- ③ **Supplies.** Furnish the average cost of consumable items not held for sale (e.g., contractor's supplies, office supplies, etc.).

Average Cost
\$

- ④ **Manufacturing/Research and Development (R&D) Inventory.** Furnish an average of 12 monthly inventory values taken in Maryland during 1998 at cost or market value of raw materials, supplies, goods in process and finished products used in and resulting from manufacturing by the business. (Do not include manufactured products held for retail sale).

Average Manufacturing/R&D Inventory
\$

Furnish from the latest Maryland Income Tax return:
 Opening Inventory - date _____ amount \$ _____
 Closing Inventory - date _____ amount \$ _____

1999

FORM 1

PAGE 3

- ⑤ **Tools, machinery and equipment used for manufacturing or research and development:** State the original cost of the property by year of acquisition. Include all fully depreciated property and property expensed under IRS Rules. If exemption is claimed for the first time, a manufacturing/R&D exemption application must be submitted before this exemption can be granted. Contact the Department for an application.

If the property is located in a taxable jurisdiction a detailed schedule by depreciation category should be included to take advantage of higher depreciation allowances.

ORIGINAL COST BY YEAR OF ACQUISITION			
1998		1994	
1997		1993	
1996		1992	
1995		1991 and prior	

TOTAL COST \$

- ⑥ **Vehicles with Interchangeable Registration** (dealer, recycler, finance company, **special mobile equipment**, and transporter plates) and unregistered vehicles should be reported here

ORIGINAL COST BY YEAR OF ACQUISITION			
1998		1996	
1997		1995 and prior	

TOTAL COST \$

- ⑦ **Non-farming livestock** \$ _____ (Book Value) \$ _____ (Market Value)

- ⑧ **Other personal property** Total Cost \$ _____
File separate schedule giving a description of property, original cost and the date of acquisition.

- ⑨ **Property owned by others and used or held by the business** as lessee or otherwise . . . Total Cost \$ _____
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- D. Does the business own any fully depreciated and/or expensed personal property located in Maryland? _____ (Yes or No)
If yes, is that property reported on this return? _____ (Yes or No)

- E. Does the submitted balance sheet or depreciation schedule reflect personal property located outside of Maryland? _____ (Yes or No)
If yes, reconcile it with this return.

- F. Has the business disposed of assets or transferred assets in or out of Maryland during 1998? _____ If yes, complete Form 4C (Disposal and Transfer Reconciliation). (Yes or No)

• PLEASE READ "IMPORTANT REMINDERS" ON PAGE 4 BEFORE SIGNING •

I declare under the penalties of perjury, pursuant to Tax-Property Article 1-201 of the Annotated Code of Maryland, that this return, including any accompanying schedules and statements, has been examined by me and to the best of my knowledge and belief is a true, correct and complete return.

NAME OF FIRM, OTHER THAN TAXPAYER, PREPARING THIS RETURN

PRINT OR TYPE NAME OF CORPORATE OFFICER OR PRINCIPAL OF OTHER ENTITY TITLE

X
SIGNATURE OF PREPARER

DATE

X
SIGNATURE OF CORPORATE OFFICER OR PRINCIPAL

DATE

()
PREPARER'S PHONE NUMBER()
BUSINESS PHONE NUMBER

IMPORTANT REMINDERS

- **Research and development equipment is now included under the definition of manufacturing equipment and should be reported on line ⑤. The partial exemption for R&D equipment/supplies has been repealed.**
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- This return must be signed by an officer or principal of the business.
- Make check for filing fee payable to Department of Assessments and Taxation or D.A.T. Place Department ID number on the check.
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1999

FORM 1

PAGE 4

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<u>DAYS LATE</u>	<u>MINIMUM</u> ⁺	<u>MAXIMUM</u> ⁺
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31 or more	\$50	\$500
	⁺ plus interest	

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DEPRECIATION RATE CHART FOR 1999 RETURNS

STANDARD DEPRECIATION RATE

Category A 10% per annum*

All property not specifically listed below.

SPECIAL DEPRECIATION RATES (Use of the rates listed below apply only to the items specifically listed. Use Category A for other assets.)

Category B 20% per annum*

Mainframe computers originally costing \$500,000 or more.

Category C 20% per annum*

Autos (unlicensed), bowling alley equipment, brain scanners, carwash equipment, contractor's heavy equipment (tractors, bulldozers), fax machines, hotel, motel, hospital and nursing home furniture and fixtures (room and lobby), MRI equipment, mobile telephones, model home furnishings, music boxes, outdoor Christmas decorations, outdoor theatre equipment, photocopy equipment, radio and T.V. transmitting equipment, rental pagers, rental soda fountain equipment, self-service laundry equipment, stevedore equipment, theatre seats, trucks (unlicensed), vending machines, x-ray equipment.

Category D 30% per annum**

Data processing equipment, canned software.

Category E 33 1/3% per annum*

Blinds, carpets, drapes, shades. The following applies to equipment rental companies only: rental stereo and radio equipment, rental televisions, rental video cassette recorders and rental video tapes.

Category F 50% per annum*

Pinball machines, rental tuxedos, rental uniforms, video games.

Category G 5% Per annum*

Boats, ships, vessels, (over 100 feet).

* Subject to a minimum assessment of 25% of the original cost.

** Subject to a minimum assessment of 10% of the original cost.

DATE OF ASSESSMENT NOTIFICATION

OFFICE USE ONLY

DATE OF CERTIFICATION NOTIFICATION

BALANCE SHEET

1999

FORM 4A

Name of Business _____

Department ID Number _____

Beginning of Period

End of Period

	WITHIN MARYLAND	TOTAL*	WITHIN MARYLAND	TOTAL*
ASSETS				
CURRENT ASSETS				
1. Cash				
2. Marketable Securities				
3. Accounts Receivable				
4. Inventory				
5. Other Current Assets				
PROPERTY, PLANT AND EQUIPMENT				
6. Land				
7. Buildings				
8. Leasehold Improvements				
9. Equipment				
10. SUBTOTAL Property, Plant and Equipment				
11. Accumulated Depreciation				
12. Net Property, Plant and Equipment				
INTANGIBLE AND OTHER ASSETS				
13. Intangible				
14. Other (provide schedule)				
15. TOTAL ASSETS				
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
16. Accounts Payable				
17. Other Current Liabilities				
LONG TERM LIABILITIES AND EQUITY				
18. Mortgage, Notes, Bonds Payable				
19. Other Long Term Liabilities				
20. Capital Stock				
21. Paid in or Capital Surplus				
22. Retained Earnings				
23. Other				
24. TOTAL LIABILITIES AND EQUITY				

*Omit TOTAL columns when all assets are located in Maryland.

DEPRECIATION SCHEDULE OF PROPERTY IN MARYLAND AS OF ____/____/____

	TOTAL COST	DEPRECIATION THIS YEAR	ACCUMULATED DEPRECIATION	BOOK VALUE
1. Land				
2. Building				
3. Leasehold Improvements				
4. Transportation Equipment (Registered) ^A				
5. Transportation Equipment (Not Registered and Interchangeable Registrations)				
6. Furniture & Fixtures				
7. Machinery & Equipment				
8. Other (Specify)				
9. Totals: ^B				
10. Expensed Property (Not Reported on Depreciation Schedule) ^C				
11. Exempt Personal Property ^D (Included in line 9 above and not reported on Form 1.)				
<u>Type of Organization</u> <input type="checkbox"/> Charitable <input type="checkbox"/> Religious <input type="checkbox"/> Educational <input type="checkbox"/> Veterans <input type="checkbox"/> Other _____ SPECIFY		EXEMPTION CLAIMED <u>Type of Property</u> <input type="checkbox"/> Vehicles (Registered) <input type="checkbox"/> Vessels (under 100 ft.) <input type="checkbox"/> Aircraft <input type="checkbox"/> Farming Implements (Farmers Only) <input type="checkbox"/> Other _____ SPECIFY		

A. Vehicles with Interchangeable Registrations (dealer, recycler, finance company, special mobile equipment, and transporter plates) are to be reported on line 5.

B. Total line must equal Line 10 on the Balance Sheet Form 4A.

C. Include all expensed property located in Maryland not reported on the Depreciation Schedule Form 4B.

D. If exempt property is owned check the appropriate boxes under line 11. Exempt organizations need to provide written justification for the claimed exemption with the return. Organizations required to file IRS form 990 should also submit a copy of the latest available filing.

DISPOSAL AND TRANSFER RECONCILIATION

	BALANCE 1/1/98	TRANSFERS IN DURING 1998	1998 ACQUISITIONS	TRANSFERS OUT & DISPOSALS*	BALANCE 1/1/99
1. Furniture, Fixtures, Tools Machinery and Equipment					
2. Motor Vehicles					
3. Manufacturing/R&D Equip.					
4. Leased Property					
5. Totals					

This section must be completed by those businesses which transferred or disposed of personal property located in Maryland during 1998.

Property "Transferred In" from locations outside Maryland, property acquired and property "Disposed Of" or "Transferred Out" during 1998 must be reported above and reconciled with the totals from last year's return.

*If transfers out and disposals made during 1998 are more than \$200,000 or greater than 50% of the total property reported as of 1-1-98, complete the information below.

TRANSFERS	Date of transfer:	Location where transferred?	
		City:	State:
DISPOSALS	Date of disposal:	Manner of disposal? (sale, junked, donation, etc.)	Name of buyer? (For Sales Only)

60 DAY EXTENSION REQUEST FOR FILING THE 1999 PERSONAL PROPERTY RETURN

INSTRUCTIONS

- 1) In the event that this form needs to be returned to the requestor, provide a mailing address below.

**File and verify
extensions using
our automated
telephone system!**

**Call (410) 767-0937, or
(888) 246-5941 within Maryland**

- 2) This form may be used to request an extension for up to fourteen businesses. List exact business name and Department ID number.

The identification number assigned by the Department must be provided.

- 3) Mail this request to: Department of Assessments & Taxation, Attn: Extension Unit, 301 West Preston Street, Baltimore, MD 21201-2395. This request must be received or postmarked **on or before April 15, 1999**. Extensions may be granted for a maximum of 60 days until June 15, 1999. Do not use the preaddressed envelope for extension requests.
- 4) Retain a copy for your records.
- 5) Approved requests will be recorded by the Department but will **not** be returned.
- 6) Do **not** prepay filing fee(s) with this form. The filing fee(s) must accompany the return(s) when filed.
- 7) Extensions granted by the I.R.S. or Maryland Comptroller will **not** be accepted.

Signature of Officer or Agent of the Business

Phone Number

Date

THE FOLLOWING IS A LIST OF COUNTIES AND INCORPORATED TOWNS IN MARYLAND. IF A BUSINESS OWNS PERSONAL PROPERTY IN ANY OF THESE LOCATIONS, THE LOCATIONS SHOULD BE LISTED IN SECTION II A OF FORM 1.

ALLEGANY

Barton
Cumberland
Frostburg
Lonaconing
Luke
Midland
Westernport

ANNE ARUNDEL

Annapolis
Highland Beach

BALTIMORE CITY

BALTIMORE

No incorporated
cities or towns

CALVERT

Chesapeake Beach
North Beach

CAROLINE

Denton
Federsburg
Goldsboro
Greensboro
Henderson
Hillsboro
Marydel
Preston
Ridgely
Templeville

CARROLL

Hampstead
Manchester
Mt. Airy
New Windsor
Sykesville
Taneytown
Union Bridge
Westminster

CECIL

Cecilton
Charlestown
Chesapeake City
Elkton
North East
Perryville
Port Deposit
Rising Sun

CHARLES

Indian Head
La Plata
Port Tobacco

DORCHESTER

Brookview
Cambridge
Church Creek
East New Market
Eldorado
Galestown
Hurlock
Secretary
Vienna

FREDERICK

Brunswick
Burkittsville
Emmitsburg
Frederick
Middletown
Mt. Airy
Myersville
New Market
Rosemont
Thurmont
Walkersville
Woodsboro

GARRETT

Accident
Deer Park
Friendsville
Grantsville
Kitzmillier
Loch Lynn Heights
Mountain Lake Park
Oakland

HARFORD

Aberdeen
Bel Air
Havre de Grace

HOWARD

No incorporated
cities or towns

KENT

Betterton
Chestertown
Galena
Millington
Rock Hall

MONTGOMERY

Barnesville
Brookeville
Chevy Chase Sec. 3
Chevy Chase Sec. 5
Chevy Chase View
Chevy Chase Village
Gaithersburg
Garrett Park
Glen Echo
Kensington
Laytonsville
Martin's Additions
North Chevy Chase
Poolesville
Rockville
Somerset
Takoma Park
Town of Chevy Chase
Washington Grove

PRINCE GEORGE'S

Berwyn Heights
Bladensburg
Bowie
Brentwood
Capitol Heights
Cheverly
College Park
Colmar Manor
Cottage City
District Heights
Eagle Harbor
Edmonston
Fairmount Heights
Forest Heights
Glenarden
Greenbelt
Hyattsville
Landover Hills
Laurel
Morningside
Mt. Rainier
New Carrollton
North Brentwood
Riverdale Park
Seat Pleasant
University Park
Upper Marlboro

QUEEN ANNE'S

Barclay
Centreville
Church Hill
Millington
Queen Anne
Queenstown
Sudlersville
Templeville

ST. MARY'S

Leonardtown

SOMERSET

Crisfield
Princess Anne

TALBOT

Easton
Oxford
Queen Anne
St. Michael's
Trappe

WASHINGTON

Boonsboro
Clearspring
Funkstown
Hagerstown
Hancock
Keedysville
Sharpsburg
Smithsburg
Williamsport

WICOMICO

Delmar
Fruitland
Hebron
Mardela Springs
Pittsville
Salisbury
Sharptown
Willards

WORCESTER

Berlin
Ocean City
Pocomoke City
Snow Hill

INSTRUCTIONS FOR 1999 FORM 1
PERSONAL PROPERTY RETURN
GENERAL INFORMATION AND REQUIREMENTS

1999

WHO MUST FILE A RETURN

A Maryland personal property return (Form 1) must be filed by all businesses that are incorporated, qualified or registered to do business in the State of Maryland. This includes corporations, limited liability partnerships (LLP), limited liability companies (LLC), and limited partnerships (LP). This return is required even if the business owns no property in the State or has not conducted any business activity during the year. A business which fails to file this return will receive an estimated assessment which will be twice the estimated value of the personal property owned. In addition, failure to file will result in forfeiture of the charter of a domestic corporation or forfeiture of the right to do business in the State of a foreign corporation, LLC, LLP or LP.

A domestic corporation is organized and exists under the laws of the State of Maryland.

A foreign corporation is one incorporated outside the State of Maryland and qualified or registered to do business in the State.

A limited liability partnership is an entity that has filed a certificate of limited liability partnership.

A limited liability company is an entity that has filed Articles of Organization.

A limited partnership is an entity that has filed a certificate of limited partnership.

Churches that are incorporated need only complete page 1 and the signature section on page 3.

WHEN AND WHERE TO FILE

At the beginning of each year, the Department mails a personal property return to all active businesses on record. If the business does not receive a return, it is still responsible for obtaining and filing a return on time. The due date for filing is April 15, 1999. Returns are to be sent to the Department of Assessments and Taxation, Personal Property Division, 301 W. Preston Street, Baltimore, Maryland 21201-2395.

EXTENSION OF TIME TO FILE

The Department may grant a sixty (60) day extension to file the return. Extensions can now be filed and verified by telephone. Call (410) 767-0937 or (888) 246-5941 within Maryland to use our automated extension service. This system also provides fax back confirmation of approved extensions. The system is operational for extension requests beginning February 1, 1999 through April 15, 1999 from 8:00 a.m. until 7:00 p.m.

Use the extension form provided in this booklet for all written extension requests. Approved extensions will be recorded by the Department but will not be returned. Retain a copy of the extension request for your records. The Department ID Number (8 digits) must be provided to ensure proper recording of any extension request. Do not list the businesses' Federal Employer Identification Number (EIN) on this form. No additional extension to file will be allowed after the sixty (60) days. Written requests for extensions must be received or postmarked on or before April 15, 1999. Extensions approved by the Internal Revenue Service or Maryland Comptroller of the Treasury for income tax returns will not be accepted.

FORMS/PRE-ADDRESSED RETURNS

To ensure proper posting to your account, please file the pre-addressed return. The pre-addressed return contains your Department ID number. Please use this number in all communications with the Department. This number should also appear on all checks accompanying the return.

NAME CHANGES

Name changes must be made by amending the business' organizing document with the Department's Charter Division.

MAILING ADDRESS CHANGES

Make necessary address corrections on the label and check the address correction box on page 1 of the return.

FILING FEES

All corporations that are authorized to issue stock are required to submit a \$100 filing fee with the return. This fee is due even if the corporation does not own any property in the State, did not conduct any business during 1998, or has not yet issued its authorized stock. Checks should be made payable to Department of Assessments and Taxation or D.A.T. Corporations not authorized to issue stock, LLPs, LLCs, and LPs are not required to pay a filing fee. Refer to the chart below for the proper filing fees:

Type of Business	ID # Prefix	Filing Fee Amount
Domestic Stock Corporation	(D)	\$100.00
Foreign Stock Corporation	(F)	\$100.00
Domestic Non-Stock Corporation	(D)	\$ 0.00
Foreign Non-Stock Corporation	(F)	\$ 0.00
Foreign Insurance Corporation	(F)	\$ 0.00
Foreign Interstate Corporation	(F)	\$ 0.00
Domestic Limited Liability Co.	(W)	\$ 0.00
Foreign Limited Liability Co.	(Z)	\$ 0.00
Domestic Limited Partnership	(M)	\$ 0.00
Foreign Limited Partnership	(P)	\$ 0.00
Domestic Limited Liability Partnership	(A)	\$ 0.00
Foreign Limited Liability Partnership	(E)	\$ 0.00
Amended Returns For Any Of The Above		\$ 0.00

The filing fee amount is also printed in the address area on the pre-addressed return.

LATE FILING PENALTIES

A business which files an annual return postmarked after the due date of April 15, 1999 will receive an initial penalty of 1/10 of one percent of the county assessment, plus interest at the rate of two percent of the initial penalty amount for each thirty (30) days or part thereof that the return is late. If returns are filed late, do not prepay penalties. They will be assessed at a later date. The following minimum and maximum initial penalty amounts* apply:

DAYS LATE	MINIMUM*	MAXIMUM*
1 - 15	\$30	\$500
16 - 30	\$40	\$500
31 or more	\$50	\$500

*plus interest

PERIOD COVERED

All returns shall cover the calendar year regardless of any fiscal year. All information required in this return shall be given as of January 1, 1999 except line items ② and ④ which refer to the twelve calendar months of 1998. This return must be accompanied by Form 4A and 4B (Balance Sheet and Depreciation Schedule) provided with the return unless the business does not own any personal property in Maryland. A substitute Balance Sheet, including Schedule L from IRS Form 1120, may be used, however Form 4B (Depreciation Schedule) must be completed. Information supplied on the second, third and fourth pages and enclosures are not open to public inspection. If the Balance Sheet reflects property outside the State of Maryland, please reconcile with the property reported on the return.

WHAT MUST BE REPORTED

Generally all tangible personal property owned, leased, consigned or used by the business and located within the State of Maryland on January 1, 1999 must be reported. Property not in use must still be reported. All fully depreciated and expensed personal property must also be reported. Personal property includes but is not limited to office and plant furniture, machinery, equipment, tools, furnishings, inventory, and all other property not considered part of the real estate.

Personal property in this State (other than operating property of railroads and public utilities) falls into two subclasses:

Stock in business or inventory is goods held by a taxpayer for sale and goods placed on consignment to another for sale in the expectation of a quick turnover. Stock in business does not include goods manufactured by the

taxpayer but held by the taxpayer for purposes other than sale or goods manufactured by the taxpayer but placed in possession and control of another as in the case of leased property. Stock in business is assessed at cost or market value whichever is lower. **LIFO** method of valuation is prohibited.

All other personal property includes all personal property other than inventory and is assessed at full cash value. Taxpayers shall report such property which has been acquired by purchase at cost in the year of acquisition. Taxpayers shall report such property which has been acquired other than by purchase (including property manufactured by the taxpayer) at what the property would have sold for in the year of acquisition. To assess "all other personal property" the Department generally applies a 10% rate of depreciation per annum to the reported property. Exceptions to the 10% rate can be found on the Depreciation Rate Chart on page four (4). Normally, property will not be depreciated below 25% of the original cost.

All questions must be answered in full unless the business does not own, lease, or use personal property and answers Section I question C no. If the reporting taxpayer does not own the class of property covered by any question, the word "**none**" or the figure "**0**" should be written in the appropriate blank space. It will be assumed that the reporting business authorizes inferences most unfavorable to it when questions remain unanswered or the answers are incomplete or evasive. Real property is not to be reported on the return.

EXEMPTIONS

Property tax exemptions provided by statute shall be strictly construed. Before an exemption can be obtained the taxpayer must show affirmatively that the exemption is clearly allowed.

All personal property owned by certain organizations, including religious groups, government, non-profit educational institutions, non-profit charitable organizations, non-profit hospitals, cemetery and mausoleum companies, and certain other organizations or groups which meet certain "strict use" criteria is exempt. These are referred to as exempt organizations and are fully exempt throughout Maryland from any assessment and taxation. It should be noted that because the laws differ, organizations granted exempt status by the Internal Revenue Service are not necessarily exempt from personal property taxation in Maryland.

In addition, State law requires that certain types of personal property be fully exempt throughout Maryland from any assessment and taxation. These include aircraft, farming implements, residential (non-business) property, most registered vehicles, boats not more than 100 feet in length, intangible personal property (e.g., stocks, bonds, patents, goodwill, trademarks, etc.).

Customized computer software and related documentation is exempt for tax years beginning after June 30, 1997. Embedded software residing permanently in the internal memory of a computer system and canned software sold from inventory in a tangible medium ready to use as is remains taxable. All other software is exempt. A business may not reduce the original cost of computer hardware by the value of software that is acquired as part of computer hardware.

Businesses owning exempt personal property described above should report the total cost of that property on form 4B (Depreciation Schedule), line 11.

Full or partial exemptions may apply depending on the location of the property for: manufacturing/R&D machinery and equipment, manufacturing/R&D inventory and commercial inventory. Contact the Department for additional information.

Recently passed legislation brings personal property used in research and development (R&D) under the definition of manufacturing for 1999 and future personal property returns. R&D will receive the same exemption treatment accorded to traditional manufacturers. The previous partial R&D exemption in effect for the 1996, 1997 and 1998 returns has been repealed.

The new law specifically includes the following activities as part of the manufacturing process: (1) the identification, design or genetic engineering of biological materials for research or manufacture; and (2) the design, development or creation of computer software for sale, lease or license.

ROUNDING

Round cents to the nearest whole dollar. Fifty cents and above should be rounded to the next highest dollar.

AUDIT OF RETURN

All personal property assessments, and any information, and figures reported on the personal property return, accompanying schedules and related documents are subject to audit. As a result of such audits, the Department may issue corrected assessments.

TRANSFER OF PROPERTY

If a business transfers, sells, or disposes of all personal property between *January 1, 1999 and July 1, 1999*, it must notify the Department in writing on or before October 1, 1999. The notification must contain an itemized description of the property involved, the date and manner of transfer and name(s) and address of the new owner(s) of the property, the consideration received, and a copy of the sales agreement (if available). Upon proper notification and compliance with Section 10-402 of the Tax Property Article, the assessment shall be transferred to the new owner(s).

OUT OF BUSINESS

If a business discontinues operations or goes "out of business" prior to January 1, 1999, and has not filed Articles of Dissolution (Domestic Corporations), an Application for Termination (Foreign Corporations), a Certificate of Cancellation (LLC) or a Withdrawal Notice (LLP, LP) with the Department's Charter Division, a return or letter of explanation detailing the date the business ceased operations and what happened to the property must be filed. Failure to provide this information will result in an estimated assessment being made against the business. Businesses that have not filed Articles of Dissolution, an Application for Termination, a Certificate of Cancellation or a Withdrawal Notice are legally active until they do so or until their charters are forfeited (Domestic Corporations) or their authority to do business is forfeited (Foreign Corporations, LLCs, LLPs and LPs).

AMENDED RETURNS

Amended returns must be accompanied by information explaining why the amended return is being filed and reconciling the differences with the original return. Write the word "AMENDED" across the top of page 1 of the return. Do not send another \$100.00 filing fee with an amended return.

RETURNS TO BE SUBMITTED ON DEPARTMENT'S FORMS

Title 18, Subtitle 03, Chapter 02 of the Maryland Code of Regulations requires returns to be submitted using the forms furnished by the Department or on photocopies that are on paper of like size, color and texture as the form supplied by the Department. All photocopies are to be arranged in the same order as the form furnished. All returns must be signed by an officer of the corporation or principal of other entities. The signature must be original and not a copy.

FAILURE TO FURNISH INFORMATION

Tax Property Article 14-1001 through 14-1009, failure to furnish information, answer interrogatories or make reports through negligence or willfulness.

Any person who either as principal or agent shall negligently or without due excuse fail to furnish any information, or to answer any interrogatory, or file any report or list at the time and in the manner required by this article, or who shall negligently give any incorrect, untrue or misleading information or answer to any such interrogatory, or make or file any report or list which shall be in any respect incorrect, untrue or misleading, shall be guilty of a misdemeanor, and upon conviction thereof shall be fined not exceeding five hundred (\$500) dollars.

Any person who either as principal or agent shall willfully or with intent to evade the payment, or prevent or hinder the collection, of any tax, fail to furnish any information, or to answer any interrogatory, or to file any report or list at the time and in the manner required by this article, or give any incorrect, untrue or misleading information or answer to any such interrogatory shall be guilty of a misdemeanor, and upon the conviction thereof shall be fined not exceeding five thousand (\$5,000) dollars or imprisoned for not more than eighteen months, or in the discretion of the court, suffer both such fine and imprisonment; provided that nothing in this section shall relieve any such person from prosecution and conviction for perjury.

INFORMATION AND ASSISTANCE

Additional Forms (410) 767-1180
Form preparation and assessment procedures:
Corporations, LLCs, LLPs, LPs (410) 767-1170
Fax (410) 333-5512
Automated extensions (410) 767-0937

Charter Division:
Charter Information (410) 767-1330
Incorporation, Qualification. Revivals & Dissolutions . . (410) 767-1340

MRS (Maryland Relay Service for speech and hearing impaired)
. 1-800-735-2258 TT/VOICE

Internet Site <http://www.dat.state.md.us/>

E-mail Address. webmaster@dat.state.md.us

Toll Free within Maryland (888) 246-5941

SPECIFIC INSTRUCTIONS - 1999 FORM 1

Check the type of business entity and complete the legal name of the business entity, mailing address, Department ID #, federal employer ID #, date and state of incorporation/formation, federal principal business code, and trading as name (if different than legal name of business).

SECTION I

- A. Answer yes if the business operates in Maryland. Provide the date business activity began.
- B. Provide a brief explanation of business activity in Maryland (e.g. restaurant, legal service, construction, etc.).
- C. Answer yes if the business owns, leases, or uses personal property relating to any business activity (including non-profit operations). Answer no if the business does not own, lease or use personal property in the state and skip Section II.

Questions D and E refer to corporations only.

- D. If the corporate charter authorized the issuance of capital stock, a \$100 filing fee must accompany the return. If a corporation is authorized to issue stock but has not issued any, the fee is still required.
- E. List the names and addresses of the current officers and the names of the current directors.

SECTION II

- A. Since local tax rates and exemptions differ in each county and in each incorporated town, the location of tangible personal property, including the street address, must be clearly indicated. Post Office Box numbers are not acceptable. If property is located in an incorporated town, supply the name of the town. An incorporated town has its own government and defined municipal boundaries. Inventory is deemed permanently located where the business is conducted. If property is located in two or more jurisdictions supply a breakdown by locations by completing additional copies of Section II for each location.

Line Item ①

Furniture, fixtures, tools, machinery and equipment not used for manufacturing or research and development. Includes but is not limited to office furniture, fixtures and equipment, factory equipment and machinery, shelves, signs, counters, etc. (Report non-exempt vehicles on Line Item ⑥).

This form allows detailed reporting of property which falls under the different rates of depreciation. All property is to be reported under Category A unless specifically listed in another category.

Refer to the Depreciation Rate Chart on page 4 to determine where property owned by the business should be reported (see sample below). Property reported in columns B through G requires a detailed description (e.g., Column C - Candy Vending Machines, Copiers, etc.). Failure to provide the required detail will result in the reported property being assessed at 10% rate of depreciation.

This property shall be reported at original cost in the year of acquisition without deduction of depreciation, investment credit or trade-in of previously owned property. Include all fully depreciated personal property and property expensed under IRS Rules.

ORIGINAL COST BY YEAR OF ACQUISITION								
	A	SPECIAL DEPRECIATION RATES (SEE PAGE 4)						TOTAL COST
		B	C	D	E	F	G	
1998	1,150				12,600			13,750
1997	3,104				8,400			11,504
1996	1,500			5,261				6,761
1995								
1994			2,500					2,500
1993	9,127		500					9,627
1992								
1991 and prior								
TOTAL COST COLUMNS A-G →								44,142

Property reported on this line item should be placed under the proper depreciation rate column by the year of acquisition. An example of the correct method of filling out this section is provided for reference. Property reported in categories B-G require an explanation on the lines provided below the box. If additional space is needed to show the necessary detail, attach a supplemental schedule.

Describe B - G PROPERTY HERE: Category C - 1993 Vending Machine

Category C - 1994 Copier \$2,000, Fax \$500

Category D - 1996 Personal Computer

Category E - 1998, 1997 Rental Video Tapes

Line Item ②

Commercial Inventory is merchandise and stock in trade available for sale. This includes manufactured products sold at retail by the manufacturer. An average of twelve (12) monthly inventories should be reported including two (2) physical inventories. Book inventories may be used for months when physical inventories were not taken. Values are to be reported at cost or market value. The LIFO method is prohibited in computing values. If there are multiple locations of inventory in Maryland they must be reported by each location. **Business entities that need a Trader's License must report commercial inventory.**

Rental equipment including but not limited to video tapes, stereos, televisions, tools, appliances and furniture is not considered commercial inventory. These assets must be reported in Section II line item ①.

Leased property and off rent equipment are not considered commercial inventory and should be reported under Section II line item ⑩ and ⑧ respectively.

Line Item ③

Supplies. Supplies are consumable items not held for sale (e.g., contractor's supplies, office supplies, etc.). Report the average cost.

Line Item ④

Manufacturing/R&D Inventory is raw materials, supplies, goods in process and finished products used in and resulting from manufacturing by the business. Include manufactured products sold at retail by the manufacturer under line item ②, commercial inventory. An average of twelve (12) monthly inventories should be reported including two (2) physical inventories. Book inventories may be used for months when physical inventories were not taken. Values are to be reported at cost or market value. The LIFO method is prohibited in computing values. If there are multiple locations of inventory in Maryland they must be reported by each location.

Line Item ⑤

Tools, machinery and equipment used for manufacturing or research and development. Answer this question in detail even though such property may by law or resolution be exempt. If exemption is claimed for the first time, a manufacturing/research & development exemption application must be submitted before the exemption can be granted. Contact the Department to obtain an application. This property shall be reported at original cost in the year of acquisition without deduction of depreciation, investment credit or trade-in of previously owned property. Include all fully depreciated personal property and property expensed under IRS rules.

For manufacturing the primary test for exemption requires substantially transforming, or a substantial step in the process of substantially transforming tangible personal property into a new and different article by use of labor or machinery. The term manufacturing does not include products mainly intellectual, artistic or clerical in nature, services, public utility services, or property used primarily in administration, management, sales, storage, shipping, receiving or any other non-manufacturing activity.

Research and development means basic and applied research in the sciences and engineering, and the design, development and governmentally required pre-market testing of prototypes, products, and processes. Research and development activities are exempt whether or not the company has a product for sale.

The following activities do not constitute research and development: market research; research in social sciences, psychology, or other nontechnical activities; routine product testing; service activities; sales; or research and development of a public utility.

Line Item ⑥

Vehicles. Itemize motor vehicles with Interchangeable Registrations and vehicles that are unregistered. Interchangeable Registrations include: dealer plates (Class 1A, 1B, 1C); recycler plates (Class 2); finance company plates (Class 3); special mobile equipment plates (Class 4); and transporter plates (Class 5). Special equipment mounted on registered vehicles is personal property and must be reported. For specific information contact the Department. This property shall be reported at original cost in the year of acquisition without deduction of depreciation, investment credit or trade-in of previously owned property. Include all fully depreciated personal property and property expensed under IRS rules.

Vehicles registered in Maryland and classified in one of the following are exempt: Passenger cars (Class A); For hire vehicles (Class B); Funeral or ambulance vehicles (Class C); Motorcycles (Class D); Single unit, Dump, Tow, and Farm Trucks (Class E); Truck tractors (Class F), Trailers and Semi-trailers (Class G), School vehicles (Class H), Passenger buses (Class I and P); Vanpool (Class J); Farm vehicles (Class K); Historic vehicles (Class L); Multipurpose vehicles (Class M); Street rods (Class N). Vehicles registered outside Maryland may be exempt. Exempt vehicles include those registered in another taxing jurisdiction and of a classification described in Title 13, Subtitle 9, Part II of the Maryland Transportation Article (Class A-P listed above). Exempt vehicles should be included on form 4B, line 11.

Line Item ⑦

Non-farming livestock. Report book value and market value.

Line Item ⑧

Other tangible personal property. Include other tangible personal property not reported elsewhere on this return. Report total cost on the the return and supply a separate schedule giving a description, the cost and the date of acquisition of the property (e.g. artwork, antiques, linen, china, silverware, etc.).

Line Item ⑨

Property owned by others and used or held by the business. All property that is not owned by the business but is held by the business as lessee, on consignment, or otherwise must be reported. A separate schedule showing the names and addresses of the owners, lease numbers, description of property, location of property, installation date and separate cost of assets must be supplied. If costs are not known, supply the terms of the lease including lease payment and number of months.

Line Item ⑩

Property owned by business and used or held by others. All property that is owned by the business but is held by others as consignee, lessee or otherwise must be reported. A separate schedule showing the names and addresses of lessees, lease numbers, description of property, installation date and original cost by year of acquisition for each location must be supplied. Schedule should group leases by county where the property is located. Manufacturer lessors shall report property which has been acquired other than by purchase at the retail selling price in the year the property was manufactured (including property manufactured by a business for its own use) not at the cost of manufacture. All leased property must be reported, including manufacturing equipment, and property leased to tax exempt organizations. Property in this category should be reported on Line Item ⑩ not on Line Item ①.

SECTION III

- A. Total gross sales must include sales in Maryland and sales by the Maryland location to out of state purchasers as well as transfers from the Maryland location of the reporting business to out of state locations. Explain how the business is conducted when the business has sales in Maryland but does not report any personal property (e.g. when a business shares the property of another business that reports the personal property), and supply the name of that business.
- B. List the beginning and ending fiscal year periods.
- C. If the business had an interest in the established business, (e.g., a sole proprietor that chooses to incorporate), the property must be reported at the original cost and original date of acquisition including all fully depreciated and expensed personal property. Provide the name of the business.
- D. All fully depreciated and expensed personal property must be reported on this return.
- E. If the submitted Balance Sheet or Depreciation Schedule contains property outside the State of Maryland, reconcile it with this return.
- F. If the business has disposed of assets or transferred assets in or out of the State during 1998, complete Form 4C (Disposal and Transfer Reconciliation).

SIGNATURE AND DATE

The return must be signed by an officer of the corporation or principal of other entity. This signature must be an original not a copy. The date should reflect the date the return was signed by the officer or principal and sent to the Department. Please include requested phone number to assist us in resolving potential discrepancies.

DEPRECIATION RATE CHART FOR 1999 RETURNS**STANDARD DEPRECIATION RATE**Category A 10% per annum*

All property not specifically listed below.

SPECIAL DEPRECIATION RATES (Use of the rates listed below apply only to the items specifically listed. Use Category A for other assets.)

Category B 20% per annum*

Mainframe computers originally costing \$500,000 or more.

Category C 20% per annum*

Autos (unlicensed), bowling alley equipment, brain scanners, carwash equipment, contractor's heavy equipment (tractors, bulldozers), fax machines, hotel, motel, hospital and nursing home furniture and fixtures (room and lobby), MRI equipment, mobile telephones, model home furnishings, music boxes, outdoor Christmas decorations, outdoor theatre equipment, photocopy equipment, radio and T.V. transmitting equipment, rental pagers, rental soda fountain equipment, self-service laundry equipment, stevedore equipment, theatre seats, trucks (unlicensed), vending machines, x-ray equipment.

Category D 30% per annum**

Data processing equipment, canned software.

Category E 33% per annum*

Blinds, carpets, drapes, shades. The following applies to equipment rental companies only: rental stereo and radio equipment, rental televisions, rental video cassette recorders and rental video tapes.

Category F 50% Per annum*

Pinball machines, rental tuxedos, rental uniforms, video games.

Category G 5% per annum*

Boats, ships, vessels, (over 100 feet).

* Subject to a minimum assessment of 25% of the original cost.

** Subject to a minimum assessment of 10% of the original cost.